

## INTRODUCTION

Hamilton Cavanaugh & Associates, Inc. is a securities Broker-Dealer registered with the United States Securities and Exchange Commission (SEC), Member of the Financial Industry Regulatory Authority (FINRA), and member of The Securities Investor Protection Corporation. You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC. For details, please see [sipc.org/](http://sipc.org/). Please be aware that brokerage and investment advisory services and fees differ, and it is important for you to understand the difference. Free and simple tools are available to research firms and financial professionals are available at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers and investing.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We are a broker-dealer that offers limited brokerage services to retail investors. Our brokerage services include recommending investments for your account. However, the investments we offer you will be limited to mutual funds and variable annuities. Other firms could offer a wider range of choices, some of which may have lower costs. Unless separately agreed to in writing, we do not monitor your account, and you make the ultimate decision regarding your investment strategy and the purchase and sale of investments. Our firm does not impose requirements for retail investors opening or maintaining accounts with us or otherwise engaging us.

### **Conversation Starters: Ask your financial professional:**

- *Given my financial situation, should I choose brokerage services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

## WHAT FEES WILL I PAY?

If you open a brokerage account, the principal fees and costs are transaction-based fees (sometimes referred to as commissions) for recommendations and execution of securities trades. Depending on the investment product you select, these fees can include upfront commissions, as well as fees that are charged on an ongoing basis for as long as you hold the investment (“trails”). Because we are compensated for transactions, we have an incentive to recommend that you to trade more frequently and in greater amounts. You may also pay other fees such as custodial fees, account maintenance fees, and fees and expenses included in the expense ratios of certain of your investments, such as mutual funds and variable annuities. Also, with certain investments such as variable annuities, you may have to pay fees such as “surrender charges” to sell your investment. **You will pay fees and costs whether you make or lose money on your investments.** Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

### **Conversation Starter: Ask your financial professional:**

- *If I give you 10,000 to invest, how much will go into fees and costs and how much will be invested for me?*

## WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

*When we provide you with a recommendation, we have to act in your best interest and not put our*

interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here is an example to help you understand what this means:

*Commission Structure:* Certain sponsors of investment products (such as mutual funds and variable annuities) pay higher commissions than others. As such, we have an incentive to recommend products of sponsors that pay higher commissions, over other products of sponsors that pay less.

**Conversation Starter: Ask your financial professional:**

- *How might your conflicts affect me and how do you address them?*

**HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

Our financial professionals receive a salary for providing brokerage services. Our financial professionals do not receive commissions or compensation based on the sale of investment products.

**DO YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY**

Yes. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter: Ask your financial professional:**

- *Do you have any disciplinary history? If so, for what kind of conduct?*

**ADDITIONAL INFORMATION**

You can find additional information about our firm's brokerage services on our website, [www.hamcav.com](http://www.hamcav.com). If you would like additional, up to date information or a copy of this disclosure, please call us at 800-433-9832.

**Conversation Starters: Ask your financial professional:**

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer?*
- *Who can I speak to about how this person is treating me?*